GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6180
ANSWERED ON:27.04.2001
PUBLIC SCHOOLS UNDER TAX NET
RAMESH CHAND TOMAR;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to bring all the public schools in the country under the income-tax net;

(b) if so, whether public schools throughout the country particularly in metropolitan cities are evading income-tax to the tune of several lakhs per year;

(c) if so, whether directives would be issued to all public schools to file their income-tax returns without fail; and

(d) if so, the other steps taken by the Government to check unfair financial activities of public schools in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) No fresh tax proposal is under consideration on this issue.

(b) Some public schools have been found evading Income tax. Appropriate action under the Income-taxlaws, including search and seizure operations, is duly taken in such cases.

(c) In all cases where return of income is due and have not been filed, the assessing officers are already empowered under the provisions of Income-tax Act, 1961 to take actions like
(i) best judgement assessment after issue of notice under section 142(1) or 148 of the Income-tax Act, 1961,
(ii) levying penalty and
(iii) launching prosecution.

(d) The Government has been taking necessarylegislative, fiscal and administrative measures from time to time to bring the tax evaders, including public school, into the Income tax net.